

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (3/23):**

**BUTTER:** Grade AA closed at \$1.6450. The weekly average for Grade AA is \$1.6133 (+.0950).

**CHEESE:** Barrels closed at \$1.2900 and blocks at \$1.3400. The weekly average for barrels is \$1.2725 (+.0015) and blocks, \$1.3280 (+.0160).

**NONFAT DRY MILK:** Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

**BUTTER:** The butter market is firm. At the CME cash market, the butter price has advanced quite sharply during the past week and a half. Churning schedules are moderate to heavy, lightest in the Eastern portion of the country. Cream supplies have been reported as tight. Packaged (print) butter sales are fair to improved for Easter/Passover needs. Bulk sales are often limited to contracts as some producers have limited production and are holding their stocks for anticipated summer needs.

**CHEESE:** The cheese market is mostly steady. Process sales remain fairly good. Mozzarella remains tight. Current cheese production is steady with recent weeks. The Kansas City Commodity Office announced invitations to purchase between 41 and 81 million pounds of process cheese, between 35.2 and 59.5 million pounds of mozzarella, and between 11.4 and 25.5 million pounds of natural American cheese for shipment between July 2001 and June 2002. Offers are due March 29. For comparison to last year, the initial goals were between 39 and 70 million pounds for process, 23.2 to 45.5 million pounds for mozzarella and 10 to 24 million pounds for natural American.

**FLUID MILK:** Milk production is mostly steady in the northern portions of the country, but some increases are being reported. The milk flow is increasing in the Southeast, Southwest, California and the Mountain States. Milder and dryer weather in the West is giving output a boost. Some much-needed rain fell on parts of Florida this week, which could mean a maintained level of milk production when the pastures and grass green up. Fluid milk supplies are lighter than desired in most areas east of the Rockies. Class I demand is often slower due to school and college vacations plus the winter residents in the South are headed home. Manufacturing plant schedules are about steady in the West; light in the Central and Eastern regions.

**DRY PRODUCTS:** The nonfat dry milk market is steady with prices mostly unchanged. Supplies are light in the East and Central regions and long in the West. Production levels are lighter than desired in the eastern two-thirds of the country; steady out West. The dry whey market is generally steady. Production is lighter than desired due to the tight volumes of surplus milk available to cheese makers. Demand for dry whey ranges from lighter to fair. Most Eastern and some Western producers report tight supplies while Midwestern makers report being in good balance at this time. The lactose market is firm. Second quarter export contracts are being finalized and many include prices slightly higher than first quarter contracts. Stocks in the U.S. range from light to adequate. The WPC market is also firm. Producer offerings are limited and some are behind on contract deliveries and most have little or no product available for spot sale.

**CCC:** During the week of March 19 - 23, CCC net purchases totaled 9,681,556 pounds of nonfortified NDM from the West. They also canceled 39,600 pounds of previously offered Midwestern process cheese.

**FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS):** Under the Federal milk order pricing system, the base price for Class I milk for April 2001 is \$13.44. This price is derived from the advanced Class IV skim milk pricing factor of \$7.86 and the advanced butterfat pricing factor of \$1.6722 per pound. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for April is \$8.56 and the Class II nonfat solids price is \$0.9511 per pound. The following are the two-week product price averages: butter \$1.4862, nonfat dry milk \$1.0132, cheese \$1.2769, and dry whey \$0.2406.

**FEBRUARY MILK PRODUCTION (NASS):** Milk production in the 20 major states during February totaled 11.2 billion pounds, down 4.3% from February 2000. Most of the decline is due to leap year day last year. Adjusting production for leap day would put February 2001 milk production down 0.9% from last year. January revised production, at 12.1 billion pounds, was down 1.6% from January 2000. The January revision represented a decrease of 0.1% or 11 million pounds from last month's preliminary production estimate. Production per cow averaged 1,440 pounds for February, 66 pounds (4.4%) below February 2000. The number of cows on farms was 7.77 million head, 7,000 head more than February 2000, but 10,000 head less than January 2001.

**FEBRUARY COLD STORAGE HOLDINGS (NASS):** The U.S. cold storage holdings of butter on February 28, 2001 total 83.6 million pounds, up 31.3% from a month ago, but 22.5% lower than last year. Natural American cheese holdings total 509.0 million pounds, down 0.2% from a month ago and 5.1% less than a year ago.

**EUROPEAN FMD UPDATE:** The foot and mouth disease (FMD) outbreak of the past month continues to spread. Confirmed cases in the UK have now surpassed 400 with the disease now reported on the European mainland. Reports indicate that France and The Netherlands have confirmed cases. On Thursday, March 22, the Irish Agriculture Minister confirmed the first case of FMD in the Republic of Ireland. An earlier case in Northern Ireland was thought to be under control, although the most recent case was confirmed just below this region. Self imposed and EU bans of agriculture product movements are in place. For many importing countries, additional certification is being required for product produced in FMD confirmed countries.

**FEBRUARY FEDERAL MILK ORDER PRICE AND POOL SUMMARY (DAIRY PROGRAMS):** During February, about 9.0 billion pounds of milk were received from producers. This volume of milk is 3.7% lower than the adjusted February 2000 volume. About 3.6 billion pounds of producer milk were used in Class I products, 0.5% lower than the previous year. Calendar composition likely had a negative impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilizations were; Class I = 40%, Class II = 9%, Class III = 45%, and Class IV = 6%. The weighted average statistical uniform price was \$12.23 per cwt., \$0.63 lower than last month, and \$0.75 higher than last year.

\*\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*\*

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MARCH 19	TUESDAY MARCH 20	WEDNESDAY MARCH 21	THURSDAY MARCH 22	FRIDAY MARCH 23	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2675 (N.C.)	\$1.2675 (N.C.)	\$1.2675 (N.C.)	\$1.2700 (+.0025)	\$1.2900 (+.0200)	+.0225	\$1.2725 (+.0015)
40# BLOCKS	\$1.3200 (N.C.)	\$1.3200 (N.C.)	\$1.3200 (N.C.)	\$1.3400 (+.0200)	\$1.3400 (N.C.)	+.0200	\$1.3280 (+.0160)
BUTTER GRADE AA	\$1.5650 (+.0350)	-----	\$1.6300 (+.0650)	-----	\$1.6450 (+.0150)	+.1150	\$1.6133 (+.0950)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are no longer reported here. Extra Grade and Grade A prices are \$1.0300. They last changed 9/1999. NDM information remains available at the above internet address.)

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, MARCH 19, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 11 CARS: 1 @ \$1.5575, 1 @ \$1.5600, 1 @ \$1.5550, 1 @ \$1.5500, 3 @ \$1.5600, 3 @ \$1.5625, 1 @ \$1.5650; BIDS UNFILLED: 20 CARS: 3 @ \$1.5600, 1 @ \$1.5625, 3 @ \$1.5575, 2 @ \$1.5550, 1 @ \$1.5525, 4 @ \$1.5500, 1 @ \$1.5475, 1 @ \$1.5375, 1 @ \$1.5350, 3 @ \$1.5300; OFFERS UNCOVERED: NONE

TUESDAY, MARCH 20, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, MARCH 21, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS 40# BLOCKS @ \$1.3200; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 7 CARS: 1 @ \$1.6000, 3 @ \$1.6025, 1 @ \$1.6200, 1 @ \$1.6275, 1 @ \$1.6300; BIDS UNFILLED: 35 CARS: 2 @ \$1.6200, 2 @ \$1.6175, 1 @ \$1.6150, 1 @ \$1.6125, 1 @ \$1.6100, 1 @ \$1.6075, 1 @ \$1.6050, 2 @ \$1.6025, 2 @ \$1.6000, 2 @ \$1.5975, 2 @ \$1.5950, 1 @ \$1.5900, 1 @ \$1.5825, 1 @ \$1.5800, 1 @ \$1.5775, 1 @ \$1.5750, 1 @ \$1.5725, 2 @ \$1.5700, 1 @ \$1.5675, 5 @ \$1.5650, 1 @ \$1.5625, 1 @ \$1.5600, 1 @ \$1.5575, 1 @ \$1.5550; OFFERS UNCOVERED: NONE

THURSDAY, MARCH 22, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2700; 3 CARS 40# BLOCKS: 1 @ \$1.3400, 1 @ \$1.3375, 1 @ \$1.3200; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2875

FRIDAY, MARCH 23, 2001

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.2800, 1 @ \$1.2900; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2700; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 2 CARS @ \$1.6425; BIDS UNFILLED: 6 CARS: 1 @ \$1.6450, 1 @ \$1.6425, 1 @ \$1.6400, 1 @ \$1.6350, 1 @ \$1.6325, 1 @ \$1.6300; OFFERS UNCOVERED: NONE

Dairy Market News will resume reporting of CME nonfat dry milk sales, bids, and offers, should trading activity occur.

**BUTTER MARKETS****FEBRUARY MONTHLY COLD STORAGE**

According to NASS, February month-end cold storage figures for butter total 83.6 million pounds, 22.6% less than last year but 31.3% heavier than January holdings.

**NORTHEAST**

The market tone remains unsettled as the price for butter at the CME cash market is again moving higher (six cents in the past three trading sessions). A few traders report that it is difficult to purchase a load or LTL quantities of bulk. Their theory is that producers are stockpiling bulk for future needs. Churning activity in the East has been lighter than the past couple of weeks when surplus milk supplies have been tight. Any offering of excess cream is easily cleared. Some contacts question the building of inventories at \$1.50+ and, in the same instant, wonder how high butter prices may be this summer and fall. Producers are filling print or packaged butter orders, which are about normal for this time of year. Food service orders are starting to increase as restaurants prepare for Easter needs. Sales of bulk butter, f.o.b. East, are reported in a range of 2.5 – 6.5 cents over the CME price/average.

**CENTRAL**

Midwestern butter markets remain firm. Cash prices at the CME continue to firm on a steady basis. Through mid-week (March 21) the cash price has increased 12 1/2 cents in four trading sessions. Last year at this time, the cash price firmed 13 cents, although the current price is still more than 50 cents per pound higher. Producers and handlers are now wondering how high prices will go at this time. Churning schedules continue to be reported as seasonally active. Imports of cream

into the Midwest continue, although additional offerings are becoming less frequent. Ice cream and other cream based product production is on the increase, thus competition for additional volumes is increasing. Butter demand is reported as good, but producers and handlers are questioning what sales will be like during the upcoming holiday period with cash prices as high as they are. Reports indicate that retail feature activity will be considerably lighter during the upcoming Easter/Passover holiday due to price. When available for spot sale, butter is being offered in a price range of 2 – 3 cents per pound over various pricing bases.

**WEST**

Butter prices at the CME continue to firm and this is giving the Western market additional strength. Some manufacturers that had stored butter earlier in the year are now selling some of those stocks and taking the profits involved in those transactions. Contacts are wondering where the butter will come from for fall needs. Monthly NASS butter cold storage numbers indicate that stocks grew substantially in February over January (which is seasonally normal), but lag a year ago by more than 20 million pounds. The CME weekly butter storage number grew by 580,000 pounds. Last year, at this time before Easter, stocks had begun to fall a week ago. Cream demand is somewhat mixed. Buyers know that they should be churning any cream they can find, but these current prices make the practice somewhat dangerous from a butter sales price point of view. Many of the orders relating to the upcoming holiday have been placed and only fill-in business remains to be satisfied. Current prices for bulk butter nominally range from 4 cents under to flat market based on the CME with various time frames and averages involved.

**NASS DAIRY PRODUCT PRICES**  
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE				
	40# BLOCKS	BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
MARCH 17	1.2573 5,754,521	1.2779 8,069,480	1.0132 19,063,239	1.4873 6,411,761	0.2357 9,219,095

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

After a week of price declines, prices this week again moved higher. The market tone is somewhat unsettled. Cheese output in the Northeast is lighter than expected due to the tight supply of surplus milk. On the "plus side" of this lower output scenario is the fact that producers are not building stocks of cheddar which is not in the greatest demand at this time. Mozzarella sales are good and clearing most, if not all the current output. Nationally, cheese stocks are heavier than desired, but current cheddar stocks are often lighter than desired. Retail sales are just fair and food service orders are steady. With numerous national fast food features in effect, process cheese sales are holding up quite well.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3575-1.8275
Cheddar Single Daisies	:	1.3150-1.7750
Cheddar 40# Block	:	1.4525-1.6350
Process 5# Loaf	:	1.4800-1.6525
Process 5# Sliced	:	1.5000-1.7550
Muenster	:	1.5175-1.7250
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is steady. Some buyers are having minor difficulties in acquiring extra spot loads, particularly from "top shelf" plants for cheddar aging programs. Some extra spot interest is noted in several of the shorter shelf life varieties such as jack. Mozzarella remains tight. Process interest remains fairly good. Some extra spot buying is keeping the number of extra loads of cheddar available for Chicago Mercantile offering to a minimum. Current cheese production is little changed through much of the Midwest and continues to lag year ago levels. The Kansas City Commodity Office announced invitations to purchase between 41 and 81 million pounds of process cheese, between 35.2 and 59.5 million pounds of mozzarella, and between 11.4 and 25.5 million pounds of natural American cheese for shipment between July 2001 and June 2002. Offers are due March 29. For comparison to last year, the initial goals were between 39 and 70 million pounds for process, 23.2 to 45.5 million pounds for mozzarella and 10 to 24 million pounds for natural American.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4900-1.5600
Brick And/Or Muenster 5#	:	1.5300-1.9075
Cheddar 40# Block	:	1.5300-2.1150
Monterey Jack 10#	:	1.7300-2.1150
Blue 5#	:	2.0525-2.1600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5400-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0450-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	MARCH 19 - 23, 2001
BARRELS*	:	\$1.2675 - 1.2925 (NOMINAL)
	:	
40# BLOCKS	:	\$1.3125 - 1.3500 (NOMINAL)
	:	(\$0.0325) (.0300)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Process cheese prices increased fractionally while natural prices were moderately higher following activity on the CME last week. Demand for processing solids remains good. Buyers continue to take good volumes on a regular basis. There are a number of seasonal features taking place on natural items. A number of contacts are calling demand fair to good. Natural American cold storage stocks of cheese at the end of February are 509.0 million pounds, down 5.1% from last year at this time. Swiss prices are holding steady. Swiss stocks at the end of February total 12.9 million pounds, down 16.1% from last year and 7.5% from last month. Cheese production is beginning to build seasonally, but not at the rate that most manufacturing plants had estimated.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4225-1.6825
Cheddar 40# Block	:	1.4350-1.5750
Cheddar 10# Cuts	:	1.6150-1.8350
Monterey Jack 10#	:	1.6250-1.7850
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5100

## FOREIGN

Domestic prices are higher and imported styles are unchanged. The ban on dairy product imports from some EU, particularly Great Britain, countries continues to make headlines. There has been confusion regarding which cheeses, based on milk pasteurization and aging times, are allowed into the U.S. The U.S. ban includes unpasteurized dairy products from the E.U. However, a USDA staff veterinarian with APHIS points out that pasteurization isn't the issue. Pasteurization will not inactivate the foot and mouth virus. Aging does inactivate the virus, so cheeses aged the appropriate amount of time would not harbor the virus. Retail demand for foreign type cheeses is slower in some areas, steady in others.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.6600-3.1550*
Gorgonzola	: 3.2400-5.9400	: 2.2100-2.4900*
Parmesan (Italy)	: TFEWR	: 3.0750-3.1000*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.6675-1.9350*
Romano (Cows Milk)	: -0-	: 2.8500-5.0300*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.3100	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\*= Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

## BUTTER : CHEESE

03/19/01	21,206	: 123,179
03/01/01	21,328	: 131,168
CHANGE	-122	: -7,989
% CHANGE	-1	: -6

## FLUID MILK AND CREAM

## E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	139	0	110	0	100
SOUTHEAST STATES	0	0	0	0	0	0

During February, milk production in the 20 major states totaled 11.2 billion pounds, down 4.3% from February 2000. Adjusting for leap year day would result in the February 2001 production being down 0.9%. The following are the February to February changes (not adjusted for leap year) for selected states: Texas -16.2%, Vermont -8.4%, Virginia -6.9%, Kentucky -6.3%, Pennsylvania -6.0%, Florida -4.5%, and New York -3.5%. During February, milk cow numbers were lower in all these states except Kentucky (unchanged). Milk per cow was lower in all the above states except New York. Milk production is increasing in most of the Southern states. Some contacts thought that output had peaked in Louisiana, but "milk just keeps coming." Florida got some much-needed rain, which combined with cooler temperatures, has given milk production a boost. Winter tourists are leaving the state and the resulting slower demand for bottled milk, plus the increasing output, pushed more milk out of state for processing. Snowfalls hit a large portion of the Carolinas, which delayed farm pick-ups, but no milk was lost. In the Northeast, milk production is increasing seasonally. However, milk output does lag year ago levels by quite a wide margin and some contacts are concerned about milk availability this summer. Bottled milk sales are steady to slower in most areas. Surplus milk volumes are light and many plants are barely able to meet their commitments for liquid products. The continued good call for condensed skim is clearing most available product and drying is limited. Prices for condensed skim are mostly steady. The fluid cream market is firm and steady. Spot prices are generally higher as multiples held relatively steady, but the CME average butter prices are 1.33 cents higher than the previous week. Some contacts note that butter makers are looking for more cream, but the high multiples are a deterrent to some. Also, contacts report that some California suppliers are less eager to sell cream as they want to make butter for future needs. Ice cream makers are taking some additional volumes, but they too, are resisting the high prices. For many ice cream and cream cheese makers, it is a situation that they might as well buy cream and stock up now. Delaying cream purchases may only result in higher butterfat prices. Many contacts anticipate that the butter price may approach or exceed the \$2.00 barrier this summer. (They believe this would be a logical assumption given a \$1.50+ price in March with few signs of price declines in the market place.) Cream cheese output is about steady. Butter production is light as fewer offerings of excess cream are being reported.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.9434-2.1256
DELIVERED EQUIVALENT ATLANTA	-	1.9434-2.1408 M 1.9738-2.0345
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.9510-2.0497

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0900-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .8600- .9600

## M I D W E S T

Class I demand is about steady to slightly lower, depending on locations with or without spring breaks. Some retail features were still stimulating sales for others. Supplemental milk supplies (26 loads) were again brought in from the Arkansas/Missouri area as well as Minnesota and Michigan into Chicago area bottlers to help fill bottler needs. Milk supplies remain unseasonably tight through much of the upper tier of states, reducing manufacturing schedules below desired levels at many plants. Manufacturing milk demand is still seasonally strong with spot premiums in the \$1.90 - 2.15 area on a light test. Plant operators are very concerned about milk availability for later in the year.

More firms are reporting increased farmer interest in milk futures contracts. Condensed skim prices are steady. Shipments into other orders for pooling purposes are continuing. Cream prices are higher due to higher cash butter prices at the Chicago Mercantile Exchange. Cream multiples are mostly steady. Estimated February milk production in selected Midwestern states compared with February 2000 (unadjusted for February 29, 2000) is: Wisconsin 1.782 billion pounds, down 81 million pounds (-4.3%); Minnesota 723 million pounds, off 68 million pounds (-8.6%); Michigan 441 million pounds, down 6 million pounds (-1.3%), and Iowa 303 million pounds, down 20 million pounds (-6.2%). The snow cover in the upper tier of states is disappearing due to slightly above normal temperatures. Geese are flying north and soft fields are limiting manure hauling to early morning when the ground still has some frost.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MARCH 15 - 21	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.00- 46.00	\$ 40.00- 45.00
REPLACEMENT HEIFER CALVES	\$290.00-420.00	\$260.00-335.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MARCH 15 - 21	PREVIOUS YEAR
SLAUGHTER COWS	\$ 39.00- 51.25	\$ 36.00- 46.00

## W E S T

U.S. milk production in the 20 surveyed states totals 11.2 billion pounds for February, down 0.9% from February 2000 adjusted to 28 days. Adjusted production was lower in 15 of the 20 states. February output for selected Western states compared to last year adjusted is as follows: Arizona -9.3%, California +3.4%, Idaho +8.8%, New Mexico +1.8%, and Washington -2.3%. Cow numbers in these five states were up 122,000 head from a year ago. A turnaround in weather conditions has impacted milk production in the opposite way of recent wet conditions. The dryer and warmer weather is drying up cow lots and milk output is steady to moving higher in the Southwest. California production is seeing responses from warmer temperatures. Haying is resuming in the south with cropping a week or two off in the Central Valley. Green chopping is taking place. Rolling blackouts were reported in California on Monday and Tuesday and some dairies and processing plants were affected. Backup generation is common on dairy farms, so problems were generally limited. Temperatures in the 90's in Arizona are drying up lots muddied by recent rains. Cows are giving more milk. Feed prices and conditions are good. Milk movements are being handled normally. New Mexico milk production is steady to a few percentage points higher. Demand for cows remains strong from producers as expansions and new herds are put in. Feed supplies and prices are said to be in good shape. Western cream prices are trending higher following the increasing butter price and average at the CME. Multiples have widened but returns are higher, reflecting classified pricing. Multiples are quoted from the low 110's to the lower 130's. Cream demand is very good from all users. Demand from ice cream producers is strong in the West. Early fieldwork continues in the Pacific Northwest. Small grains are being seeded, but very little corn if any has been planted yet. With the expected dry conditions, most farmers want to get an early jump on the season to get ahead of the summer dry periods if possible. Milk production is increasing seasonally, but not quite at the rate hoped for. Some pasturing and green chopping is taking place along the coast. Current feed prices look better, but hay prices are firm and expected to stay that way. Carry over stocks are expected to be minimal this year. Water and power issues are taking up more planning time for plants and producers. Milk output is also increasing in the northern Mountain States region. The increase is slower than anticipated and production per cow is lagging. The weather has been excellent so that most are blaming feed quality, milk prices, and management decisions. Heifer prices remain very high and offerings are very light. Some additional culling is noted because of firming slaughter cow prices. Producers are concerned what impact the power buyback from irrigators may have on their feed supplies.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 03/22/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are unchanged on a steady market. Milk production is mostly stagnant, encouraging steady NDM production schedules. Supplies are mostly in balance with Grade A product clearing the best at the higher end of the range. Demand is fair with some plants reporting better movement this week compared to last week. Inquiries from ice cream facilities, pharmaceuticals, cheese plants and brokers are increasing. High heat interest remains strong. Production is light and mostly on an as needed basis. Inquiries on standard grade are being reported with availability best noted on the West coast.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0025 - 1.0600 MOSTLY: 1.0225 - 1.0275

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged on a firm market. Supplies are tight and trading activity is minimal. Some buyers that typically purchase on a spot basis are instead contracting supplies in order to guarantee shipments. Producers are generally not pushing prices higher as further price hikes may encourage substitutions. However, supplies are not anticipated to increase in the near term, encouraging a firm market. Some buyers are importing product from the West coast because of the lack of availability in the Central region. Condensed is clearing well into ice cream facilities, reducing drying schedules and costs at some plants.

BUTTERMILK: 1.0000 - 1.0700

**DRY WHEY - CENTRAL**

Prices are unchanged on a mostly steady market. Most plants are in good balance with little to no excess stocks to move. Good export demand and increased condensed movement are encouraging steady to lower production schedules. Trading activity is mostly light. Feed buyers are hesitant to purchase spot loads as some suspect that additional supplies are being held by manufacturers in an attempt to firm the market. Discounts available at the beginning of the week are no longer being offered, yet additional loads on contracted shipments are readily supplied. Export inquiries are being noted from Asia and Mexico. Condensed supplies are mixed with some areas running long and others short of their immediate needs.

NONHYGROSCOPIC: .2325 - .2500 MOSTLY: .2400 - .2450

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged on a steady market. Producers are reporting tighter supplies of milk replacer and offering at prices slightly below the Extra Grade average. Buyers are generally resisting higher prices and opting to trade within the current milk replacer range. Roller ground movement is good with some new interest developing on export markets. Delactose supplies remain tight. Most plants are unable to satisfy spot interest and would sell more if the supplies were available. Production schedules on animal feed items are generally steady. Barrow, gilt and lean hog prices are trending lower while the North Central veal and early-weaned pig markets are firm.

MILK REPLACER: .1800 - .2100  
 ROLLER GROUND: .2275 - .2575  
 DELACTOSE (Min. 20% protein): .4150 - .4300

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged and the market tone remains generally firm. Prices are anticipated to increase as second quarter contracts are finalized during the next week. Completed contracts are currently trending unchanged to 1 cent higher. Export demand is good and increasing. Inquiries are being reported from the EU, Japan, Korea and Mexico. Production is steady to lower due to equipment problems and a lack of permeate supplies in areas. Stocks are mostly tight to instances long. Some plants are unable to satisfy contractual demands and are shorting loads. Domestic demand is slow to fair, best into candy companies and brokerage firms. Off grade supplies are adequate and trading 3-6 cents below the average FOB.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1550 - .2150 MOSTLY: .1625 - .1725

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged on a firm market. Supplies remain tight with most plants unable to fill any spot interest. Some locations are behind on contractual shipments and are shorting loads. Export interest is strong yet inquiries are beginning to wane as buyers realize the lack of availability at some plants. Edible interest is good while feed demand is slow. Offerings are increasing from brokers and feed facilities with excess inventories. Resale product, offered at 1/4 over the average, is being met with resistance by feed buyers. Condensed supplies are mixed. Feed buyers are reporting that excess supplies are available while dry production plants report tight availability. High protein movement is generally steady. Off grade product is clearing well at prices near the average.

EXTRA GRADE 34% PROTEIN: .7875 - .8200 MOSTLY: .7875 - .7925

**NONFAT DRY MILK - WEST**

Low/medium heat NDM prices are holding mostly steady. The market tone remains somewhat on the weak side. Offerings to the government under the price support program remain heavy with recent weeks. Production levels are mostly steady and may be higher over the next few weeks as less condensed skim is used in fluid milk fortification in California over spring breaks. Rolling power blackouts in California are causing minimal, but annoying disruptions at a few dairy plants. Spot demand remains light. Contracts are moving fairly well and shortages in other regions are noted. Medium heat powder is in fair demand at prices at the top end of the range. DEIP orders are being filled. EU issues on foot and mouth disease continue to generate comments, but the side effects so far on the US dairy industry have been minimal. High heat prices are lower on the top end of the range. Supplies and demand are in fairly good balance. High heat orders are being filled on a timely basis. Stocks are generally light. During the week of March 12 - 16, CCC net purchases totaled 11.4 million pounds of Western NDM.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9950 - 1.0300 MOSTLY: 1.0025 - 1.0175  
 HIGH HEAT: 1.0300 - 1.0700

**DRY BUTTERMILK - WEST**

Dry buttermilk prices are steady this week, but the market tone is trending on the firm side. Contracts are moving on a timely basis and spot trade movements are light. Production is higher where churning activity is increasing, but interest in condensed buttermilk remains good. Demand for dry and condensed from ice cream manufacturers has increased in recent weeks. Trade sentiment is that stocks are being held with confidence.

BUTTERMILK: .9700 - 1.0300 MOSTLY: .9800 - .9900

**DRY WHEY - WEST**

Prices for Western whey powder range from steady to slightly higher within the range. There continues to be a firm undertone to the market. Offerings of powder are lighter from a number of locations. Some of the decline is based on cheese manufacturing not up to expectations and more sales of condensed whey. Domestic demand is improving within the region and from other areas of the country. Export sales are about steady. Stock levels range from tight to available.

NONHYGROSCOPIC: .2200 - .2500 MOSTLY: .2350 - .2450

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
March 16	\$1.0072	12,297,884
March 9	\$1.0058	10,937,456

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

The prices and the market tone are steady. Eastern prices remain nominal. Production levels are light and this looks like a trend that will continue for some time. In most of the Northeastern states, milk production and surplus milk availability are well below last year's level. Many drying facilities are moving condensed skim and drying very little. Producer stocks are light and there is growing concern about how much powder they will have through the summer and fall. Demand is steady, but most contacts expect summer needs to be met with Western-made powder. Condensed skim demand is better after a slower week last week. Some producers are forcing themselves to make NDM to fill contracts. Some are buying condensed skim to ship to their buyers and keep their own "in plant" to dry.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0300 - 1.0825 MOSTLY: 1.0300 - 1.0600

HIGH HEAT: 1.0575 - 1.1200 MOSTLY: 1.0600 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0525 - 1.1400

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are mostly steady and nominal. The market tone in the East is steady and firm. Dry whey stocks in the East remain light and many producers report being sold out. The continued tightness of surplus milk continues to plague area cheese makers. Most have the capacity to make more cheese if the milk were available. Many have little or no product for spot sale. However, with demand as slow as it is, some contacts think that there may be some product available in coming weeks. Traders report another quiet week. Domestic interest is steady to slightly improved, but contacts are quick to point out that this is typical of a "down" market. Bargain hunters are doing more "tire kicking" which is, historically, a sign that prices may be reaching the bottom of this particular price-cycle. Domestic demand is slow to fair and export demand is little changed. Feed makers and users are showing more interest, but few new sales have been reported.

F.O.B. NORTHEAST: EXTRA GRADE .2425 - .2550

USPH GRADE A .2600 - .2675

DELVD SOUTHEAST: .2725 - .2850

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged and remain nominal. The market tone is mostly steady. Most producers are clearing their output satisfactorily, particularly during the past couple weeks when cream supplies have been tight and churning schedules down accordingly. Traders note that demand is steady, but not showing the aggressiveness they would expect. Ice cream makers are starting to increase output in preparation of the warmer months ahead and they are showing more interest in liquid/condensed buttermilk. With butter/cream prices expected to be very high this summer, buttermilk may be in good demand because of its fat content. This week, demand for dry buttermilk is steady.

F.O.B. NORTHEAST: .9900 - 1.0100

DELVD SOUTHEAST: 1.0200 - 1.1000

**EVAPORATED MILK - NATIONAL**

Prices and the market tone remain steady. Production levels are little changed, but surplus milk volumes are still tight east of the Rockies. Demand remains slow to fair. Plant stocks are adequate and plant inventories are being replenished.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein prices remain firm and the market tone is unsettled. The foot and mouth disease (FMD) outbreak in Europe and most recently in the Republic of Ireland has domestic buyers of rennet and acid very concerned. At this point, product from Ireland and other identified infected FMD countries continues to enter the U.S., although additional certification is slowing the release into the domestic market. As of Thursday morning (03/22), exports of dairy products are banned from Ireland for 3 days, until the EU Commission addresses/issues certification guidelines. Domestic buyers indicate that rennet casein is very limited, thus potential problems in some sourcing countries will only further hinder the market.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.3500 - 2.5000

ACID: 2.4500 - 2.6000

**DRY WHOLE MILK - NATIONAL**

Prices are unchanged this week despite that fact that the cash butter market has increased significantly since March 12. Production levels are light and reflective of surplus milk availability. Output is generally limited to meeting contract shipping schedules. Few producers have inventory "on the floor" for immediate shipment. Demand is mostly contractual with little spot demand reported.

F.O.B. PRODUCING PLANT: 1.2750 - 1.4125

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2000 THROUGH MARCH 16, 2001  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 38,687 MT (85,289,936 LBS)  
CHANGE -- 984 MT (2,169,326 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

**FEBRUARY MILK PRODUCTION**

Milk production in the 20 major states during February totaled 11.2 billion pounds, down 4.3 percent from February 2000. Most of the decline is due to an extra day of production in February 2000, because of leap year. Adjusting production for the additional day would put February 2001 milk production down 0.9 percent from last year. January revised production, at 12.1 billion pounds was down 1.6 percent from January 2000. The January revision represented a decrease of 0.1 percent or 11 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major states averaged 1,440 pounds for February, 66 pounds below February 2000.

The number of cows on farms in the 20 major states was 7.77 million head, 7,000 head more than February 2000, but 10,000 head less than January 2001.

**FEBRUARY 2001 MILK COWS AND MILK PRODUCTION, BY STATES**

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2000	2001	2000	2001	2000	2001	% CHANGE FROM 2000
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	137	140	1,935	1,655	265	232	-12.5
CA	1,496	1,567	1,710	1,630	2,558	2,554	-0.2
FL	157	155	1,410	1,360	221	211	-4.6
ID	332	356	1,610	1,580	535	562	5.0
IL	120	117	1,480	1,380	178	161	-9.6
IN	141	150	1,330	1,305	188	196	4.3
IA	215	215	1,500	1,410	323	303	-6.2
KY	130	130	1,090	1,025	142	133	-6.3
MI	296	302	1,510	1,460	447	441	-1.3
MN	540	520	1,465	1,390	791	723	-8.6
MO	157	148	1,220	1,070	192	158	-17.7
NM	238	261	1,730	1,550	412	405	-1.7
NY	700	670	1,370	1,380	959	925	-3.5
OH	259	263	1,410	1,320	365	347	-4.9
PA	617	602	1,475	1,420	910	855	-6.0
TX	350	343	1,480	1,265	518	434	-16.2
VT	160	154	1,405	1,335	225	206	-8.4
VA	120	118	1,335	1,265	160	149	-6.9
WA	246	247	1,795	1,690	442	417	-5.7
WI	1,355	1,315	1,375	1,355	1,863	1,782	-4.3
20 STATE TOTAL	7,766	7,773	1,506	1,440	11,694	11,194	-4.3

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

**SOURCE:** "Milk Production," Da 1-1 (3-01), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

## FEDERAL MILK ORDER PRICE AND POOL SUMMARY, FEBRUARY

**HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for February have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During February, about 9.0 billion pounds of milk were received from producers. This volume of milk is 3.7 percent lower than the adjusted February 2000 volume. About 3.6 billion pounds of producer milk were used in Class I products, 0.5 percent lower than the previous year. Calendar composition likely had a negative impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilization percentages were; Class I = 40%, Class II = 9%, Class III = 45%, and Class IV = 6%. The weighted average statistical uniform price was \$12.23 per cwt., \$0.63 lower than last month, and \$0.75 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF FEBRUARY 2001										
FEDERAL MILK ORDER MARKETING AREA <u>1/</u>	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE <u>3/</u>
		TOTAL	CHANGE FROM PREV. YEAR <u>2/</u>	TOTAL	CHANGE FROM PREV. YEAR <u>2/</u>	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	1,898.4	-3.4	822.3	1.3	43	16	32	9	13.62
Appalachian (Charlotte)	005	516.3	8.6	334.2	0.6	65	14	11	10	14.48
Southeast (Atlanta)	007	233.7	-0.7	209.3	-1.7	61	12	18	9	14.15
Florida (Tampa)	006	620.0	1.5	379.6	-1.5	90	7	2	1	15.91
Mideast (Cleveland)	033 <u>4/</u>	1,578.8	-27.9	311.8	-4.8	43	7	47	3	12.28
Upper Midwest (Chicago)	030 <u>4/</u>	1,293.0	28.9	390.2	2.0	20	2	77	1	11.15
Central (Kansas City)	032 <u>4/</u>	1,195.2	17.1	518.6	-2.3	30	6	62	2	11.82
Southwest (Dallas)	126 <u>4/</u>	498.9	-6.0	159.1	-2.7	49	6	44	1	13.24
Arizona-Las Vegas (Phoenix)	131	628.7	-17.5	311.3	0.7	32	4	35	29	12.48
Western (Salt Lake City)	135 <u>4/</u>	245.6	-6.5	77.5	-1.2	28	8	63	1	11.79
Pacific Northwest (Seattle)	124 <u>4/</u>	293.8	0.6	81.2	0.7	32	6	38	24	12.35
<b>ALL MARKET AVERAGE OR TOTAL</b>		9,002.3	-3.7	3,595.1	-0.5	40	9	45	6	12.23

1/ Names in parentheses are principal pricing points of markets.

2/ Data for February 2000 have been adjusted to a 28-day basis before computing percent changes.

3/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

4/ Due to a disadvantageous relationship between class prices and location adjusted statistical uniform (blend) price in some markets, handlers elected not to pool an estimated 490 million and 110 million pounds of milk in February 2001 and 2000, respectively, that normally would have been associated with these markets.



## MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

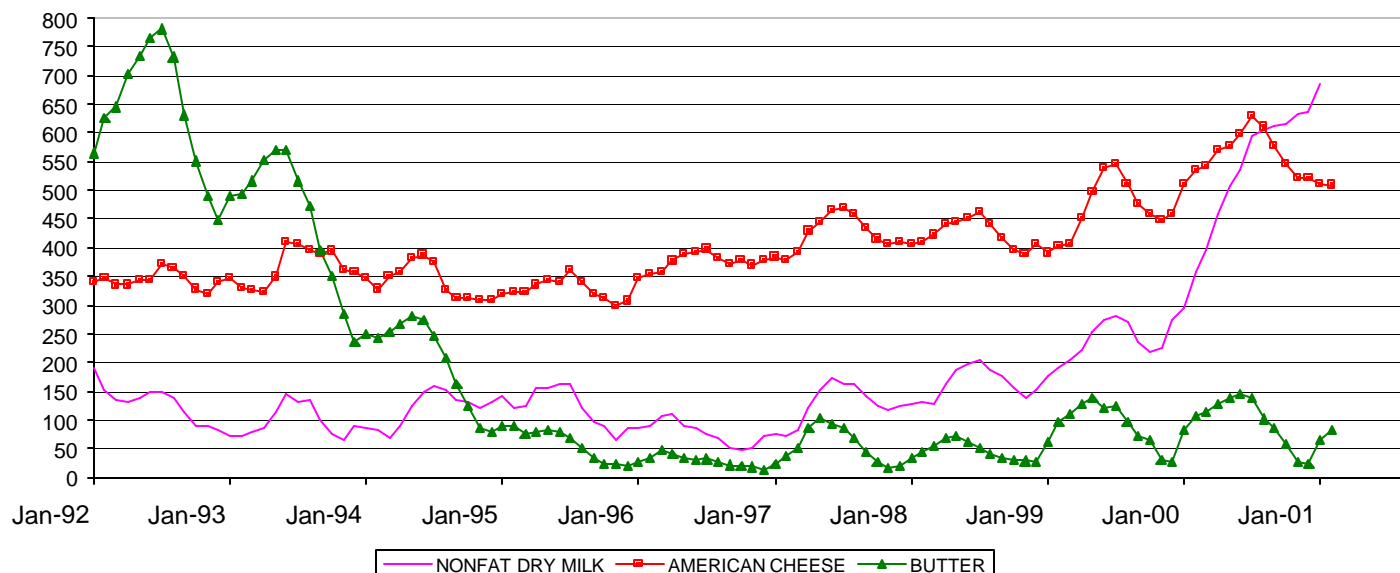
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	JAN 31, 1999	JAN 31, 2000	REVISED JAN 31, 2001	FEB 28, 1999	FEB 29, 2000	FEB 28, 2001
Butter	60,757	82,446	63,625	94,971	107,847	83,571
Cheese, Natural American	452,205	511,627	510,330	464,724	536,165	509,039
Cheese, Swiss	10,993	14,799	13,948	12,054	15,377	12,898
Cheese, Other Natural	159,239	201,626	188,969	159,095	205,691	190,421
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	247	288	338	281	383	279
Natural American Cheese	30	70	2,270	36	67	1,806

FEBRUARY COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
New England	23,638	19,873	21,189	---	---	---	368	587	270
Middle Atlantic	44,934	39,968	49,054	---	---	---	6,724	14,156	10,231
East North Central	206,396	235,372	248,532	---	---	---	80,859	100,716	99,368
West North Central	120,978	104,964	85,430	---	---	---	63,090	62,993	62,355
South Atlantic	791	787	5,522	---	---	---	567	1,874	240
East South Central	200	0	0	---	---	---	327	160	154
West South Central	259	472	591	---	---	---	216	234	343
Mountain	12,574	14,221	11,700	---	---	---	733	5,267	6,572
Pacific	54,954	95,970	87,021	---	---	---	6,211	15,639	10,888
TOTAL	464,724	536,165	509,039	94,971	107,847	83,571	159,095	205,691	190,421

\*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

## U.S. Cold Storage Holdings (Million Pounds)



Source: NASS, Graph by DMN

## COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2000 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	Million Pounds						Million Pounds						Million Pounds					
January	64	82	63	82	<u>3/</u>	<u>3/</u>	510	512	508	512	2	<u>3/</u>	687	296	124	146	563	150
February	84	108	83	107	<u>3/</u>	<u>3/</u>	509	536	507	536	2	<u>3/</u>		359		173		186
March		114		114	<u>3/</u>	<u>3/</u>		541		541		<u>3/</u>		395		168		227
April		127		127	<u>3/</u>	<u>3/</u>		570		570		<u>3/</u>		458		197		260
May		138		138	<u>3/</u>	<u>3/</u>		578		578		<u>3/</u>		506		197		309
June		146		145	<u>3/</u>	<u>3/</u>		597		597		<u>3/</u>		537		171		366
July		137		137	<u>3/</u>	<u>3/</u>		628		628		<u>3/</u>		596		190		406
August		101		101	<u>3/</u>	<u>3/</u>		610		609		<u>3/</u>		606		152		454
September		85		85	<u>3/</u>	<u>3/</u>		577		576		1		611		130		481
October		58		58	<u>3/</u>	<u>3/</u>		547		546		1		614		121		493
November		27		27	<u>3/</u>	<u>3/</u>		523		522		1		631		110		521
December		24		24	<u>3/</u>	<u>3/</u>		523		521		1		635		119		516

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Jan 31, 1999	Jan 31, 2000	Jan 31, 2001	Feb 28, 1999	Feb 29, 2000	Feb 28, 2001
	Thousand Pounds					
Butter	60,510	82,158	63,287	94,690	107,464	83,292
Natural American Cheese	452,175	511,557	508,060	464,688	536,098	507,233

1/ Total holdings minus Government owned holdings. For more information, see page 9 of this report.

**SOURCE:** "Cold Storage," Co St 1 (3-01) and "Dairy Products," Da 2-6 (3-01), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MARCH 19 - 23, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	WEEK ENDING 03/16/01	SAME PERIOD LAST YEAR
<u>BUTTER</u>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>CHEESE</u>							
Block	-0-	-0-	-0-	3,050,083	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	39,600	-39,600	3,999,600	1,188,000	-0-	-0-
TOTAL	-0-	39,600	-39,600	11,074,959	1,188,000	-0-	-0-
<u>NONFAT DRY MILK</u>							
Nonfort	10,158,852	477,296	9,681,556	231,945,751	177,935,494	463,140,000	-0-
Fortified	-0-	-0-	-0-	26,867,069	5,313,347	37,339,000	-0-
TOTAL	10,158,852	477,296	9,681,556	258,812,820	183,248,841	500,479,000	-0-

#Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MARCH 19 - 23, 2001 =	1.8	112.3	COMPARABLE WEEK IN 2000 =	-2.1	136.6
CUMULATIVE SINCE OCTOBER 1, 2000 =	159.2	3,122.2	CUMULATIVE SAME PERIOD LAST YEAR =	51.3	2,144.8
CUMULATIVE JANUARY 1 - MARCH 23, 2001 =	42.6	1,639.6	COMPARABLE CALENDAR YEAR 2000 =	40.1	1,551.7

\* Factors used for Fat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF MARCH 19 - 23, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-39,600	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	9,681,556	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
MIDWEST	-0-	-0-	5,995,440	1,188,000	3,105,246	17,135,858	35.2	28.7
WEST	-0-	-0-	5,039,919	-0-	255,707,574	164,164,578	64.6	70.4
EAST	-0-	-0-	39,600	-0-	-0-	1,948,405	0.2	0.9
TOTAL	-0-	-0-	11,074,959	1,188,000	258,812,820	183,248,841	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 16, 2001

**MANUFACTURING MILK:** Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

**BUTTER:** Bulk \$.6549 per pound; 1# Prints \$.6849

**CHEESE:** 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239

**NONFAT DRY MILK:** Nonfortified \$1.0032 per pound; Fortified \$1.0132; Instant \$1.1607

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 03/03/01 & Comparable Week 2000

											: U.S. TOTAL		: % DAIRY OF ALL	
Regions* (000 HEAD):	1	2	3	4	5	6	7	8	9	10	WEEK	: SINCE JAN 1	WEEK	: SINCE JAN 1
2001-Dairy	: 0.3	0.6	6.1	5.6	21.0	3.2	2.3	1.0	12.5	3.0	55.7	512.9	50.5	49.8
2000-Dairy	: 0.3	1.0	6.8	6.2	19.8	2.4	1.0	1.9	12.4	3.6	55.6	485.3	54.6	50.3
2001-All cows	: 0.3	0.7	8.3	15.0	30.6	12.5	17.1	5.6	13.8	6.5	110.3	1,029.7		
2000-All cows	: 0.3	1.2	9.3	12.9	28.3	11.4	13.5	5.7	13.3	5.8	101.8	965.0		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65									
II	12.82	13.43										
III	9.99	10.27										
IV	12.13	12.70										

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/mib/class\\_prod\\_milk\\_comp\\_pr.htm](http://www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm)